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Australia

Dried Fruit

Semi-Annual

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Report Highlights:

The 2003/04 raisin crop is forecast at 20,000 MT, down sharply on the previous season and well below average levels. Post forecasts exports to fall to 6,000 MT and consumption to decline slightly in 2003/04. Imports are forecast at 18,000 MT, six percent higher than 2002/03 and partially compensating for the reduced production.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Canberra [AS1], AS

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SECTION I: SITUATION AND OUTLOOK

The 2003/04 raisin crop is forecast at 20,000 MT, down sharply on the previous season and well below average levels. Despite near ideal conditions early in the season, poorly timed rain near harvest combined with high winds, dramatically reduced production. Post forecasts exports to fall to 6,000 MT, and consumption to decline slightly. Imports are forecast at 18,000 MT, six percent higher than 2002/03 and partially compensating for the reduced production.

Post has revised the estimate for 2002/03 downwards slightly in line with industry figures. Production for 2002/03 is described as "normal" and represents a dramatic increase on the previous year's record low level. Imports, exports and consumption returned to levels more reflective of the long term average.

SECTION II: STATISTICAL TABLES**PSD Table, Raisins**

PSD Table						
Country	Australia					
Commodity	Raisins				(HA)(MT)	
	2000	Revised	2001	Estimate	2002	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		03/2001		03/2002		03/2003
Area Planted	24	24	25	25	25	25
Area Harvested	21	21	22	22	23	23
Beginning Stocks	6919	6919	1000	1000	7869	4710
Production	13676	13676	31000	30492	36000	20000
Imports	19795	19795	18211	17002	10000	18000
TOTAL SUPPLY	40390	40390	50211	48494	53869	42710
Exports	5467	5422	6342	7784	10300	6000
Domestic Consumption	33923	33968	36000	36000	36500	34800
Ending Stocks	1000	1000	7869	4710	7069	1910
TOTAL DISTRIBUTION	40390	40390	50211	48494	53869	42710

Import Trade Matrix, Raisins

Import Trade Matrix			
Country	Australia		
Commodity	Raisins		
Time period	Cal Yr	Units:	MT
Imports for:	2002		2003
U.S.	1828	U.S.	1846
Others		Others	
Turkey	10263	Turkey	10366
Greece	1835	Greece	1853
Iran	1693	Iran	1710
South Africa	995	South Africa	1005
Chile	916	Chile	925
Argentina	132	Argentina	133
Total for Others	15834		15992
Others not Listed	7		0
Grand Total	17669		17838

Export Trade Matrix, Raisins

Export Trade Matrix			
Country	Australia		
Commodity	Raisins		
Time period	Cal Yr	Units:	MT
Exports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Germany	2477	Germany	2403
United Kingdom	1306	United Kingdom	1267
Canada	812	Canada	788
New Zealand	556	New Zealand	539
Japan	463	Japan	449
Italy	370	Italy	359
The Netherlands	166	The Netherlands	161
Belgium	124	Belgium	120
Malaysia	98	Malaysia	95
Taiwan	83	Taiwan	81
Total for Others	6455		6262
Others not Listed	248		238
Grand Total	6703		6500

SECTION III: NARRATIVE ON SUPPLY & DEMAND, POLICY & MARKETING

Production

The 2003/04 raisin crop is forecast at 20,000 MT, well below the previous year's production. Industry sources have described seasonal conditions as difficult. Extreme weather conditions prior to harvest such as high temperatures, high wind and heavy rain combined to dramatically lower production.

Harvest is around 90 percent complete and, despite the difficult conditions, industry sources describe quality as good. Prices have been relatively low due to increased competition from major exporting countries. Industry sources believe that part of the crop may have been diverted to wineries, which provide competition for multi purpose grapes. Drought conditions experienced across much of Australia in 2002 and into 2003 reportedly did not negatively impact production, and likely contributed to the good overall fruit quality. Sources state that much of the irrigation water used to produced dried vine fruit is sourced from high security water licences. Dry and warm conditions experienced due to the drought improved yield potential and production prospects early in the season. However, conditions subsequently deteriorated. Rainfall and high wind prior to harvest damaged fruit and curtailed production.

Estimated production for 2002/03 has been revised downward slightly to 30,492 MT, in line with Horticulture Australia Ltd. (HAL) figures. Although this figure represents a doubling of production on the previous year's disastrous (and record low) crop, it remains well under the 35,000 MT which industry says is the "production potential" of the Australian crop.

Post's figure of 13,676 MT for 2001/02 is unchanged from the previous report and remains the lowest crop in living memory.

Consumption

Consumption for 2003/04 is forecast at 34,800 MT, down slightly on the previous year. A smaller crop has placed downward pressure on consumption with a larger decline constrained by competition in the world market from larger exporting countries. Official government figures for dried vine fruit consumption are not available.

Consumption for 2002/03 is estimated at 36,000 MT, up six percent on the previous year. Increased domestic production and strong imports combined to raise availability and consumption. This rise was only partially offset by a significant increase in closing inventories.

Stocks

Stocks for 2003/04 are forecast to close at 1,910 MT, down dramatically on the estimated 4,710 MT for the previous year. A dramatic decrease in forecast production is expected to provide significant downward pressure on stocks. Low stocks have been a concern of the industry in recent times.

Official government estimates for stocks are unavailable in Australia. Post relies on anecdotal evidence provided by industry sources to estimate stock numbers.

Trade

Historically, Australia has both imported and exported dried vine fruit. Imports have traditionally been well below exports, with Australia mostly importing when production is low. However, in more recent times, falling production and competition for grapes from wineries has reduced domestic availability for the dried fruit market. Imports have increasingly displaced domestic production and have gained a greater share of the domestic market.

Domestic production is now mostly sold into high value markets, both domestic and international, with imports mostly used in lower value markets such as domestic food manufacturing.

Imports: Total raisin imports for 2003/04 are forecast at 18,000 MT, up six percent on the previous year. A dramatic fall in production combined with increased competitiveness of imports due to low world prices is expected to place upward pressure on imports. Similarly, imports for CY 2003 are forecast at 17,838 MT, up slightly on the 17,669 MT imported in the previous calendar year. According to the Australian Bureau of Statistics (ABS), 10,263 MT was imported from Turkey, which represented 58 percent of total imports. The U.S. accounted for 1,828 MT or 10 percent of total imports. This figure has been increasing annually with imports from the U.S. of 1,169 MT in CY 2001 and only 653 MT in CY 2000.

Imports for the 2002/03 marketing year are estimated at 17,002 MT, in line with official ABS figures. Increased production placed downward pressure on imports, following a year when dramatically reduced production increased imports to historically high levels.

Exports: Total exports for 2003/04 are forecast to fall to 6,000 MT, down on the 7,784 recorded by the ABS for the previous year.

Exports for CY 2003 are forecast at 6,500 MT, down from the 6,703 MT recorded by the ABS for the previous year. According to the ABS, Germany, the United Kingdom and Canada were Australia's largest markets in CY 2002, accounting for more than two thirds of total exports.